

## INSURANCE DIVISION[191]

### Notice of Intended Action

**Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”**

**Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.**

Pursuant to the authority of Iowa Code sections 507B.12 and 513C.12 and chapter 514D, the Insurance Division hereby gives Notice of Intended Action to amend Chapter 15, “Unfair Trade Practices,” and Chapter 36, “Individual Accident and Health—Minimum Standards,” Iowa Administrative Code.

The rules in Chapter 15 set forth prohibited unfair trade practices, including provisions prohibiting unfair discrimination against individuals of the same class. The rules in Chapter 36 provide reasonable standardization and simplification of terms and coverages of individual accident and sickness insurance policies. The proposed amendments to the rules are intended to implement the Patient Protection and Affordable Care Act (Pub.L. 111-148, 124 Stat. 119, H.R. 3590, enacted March 23, 2010) by setting forth the requirements and procedures to be followed by insurance companies for individual health insurance coverage for children under the age of 19. The Division intends that persons and entities shall comply with the rules beginning May 25, 2011, for policies offered for sale on or after May 25, 2011.

Any interested person may make written suggestions or comments on these proposed amendments on or before March 23, 2011. Such written materials should be directed to Angela Burke Boston, Iowa Insurance Division, 330 Maple Street, Des Moines, Iowa 50319; fax (515)281-3059.

Also, there will be a public hearing on March 23, 2011, at 10 a.m. at the offices of the Iowa Insurance Division, 330 Maple Street, Des Moines, Iowa, at which time persons may present their views either orally or in writing. At the hearing, persons will be asked to give their names and addresses for the record and to confine their remarks to the subject of the amendments.

Any persons who intend to attend the public hearing and have special requirements, such as those relating to hearing or mobility impairments, should contact the Division and advise of specific needs.

These amendments are intended to implement Iowa Code chapters 507B, 513C, and 514D and the Patient Protection and Affordable Care Act (Pub.L. 111-148, 124 Stat. 119, H.R. 3590, enacted March 23, 2010).

The following amendments are proposed.

ITEM 1. Adopt the following new subrule 15.11(6):

**15.11(6) *Discrimination relating to children under the age of 19.*** It is an unfair trade practice to:

- a. Encourage individuals or groups to refrain from filing an application with an insurer for coverage for a child under the age of 19 because of the child’s health status, claims experience, industry, occupation, or geographic location;
- b. Encourage or direct children under the age of 19 to seek coverage from another insurer because of the child’s health status, claims experience, industry, occupation, or geographic location; and
- c. Encourage an employer to exclude an employee from coverage.

ITEM 2. Adopt the following new rule 191—36.13(513C,514D):

**191—36.13(513C,514D) Individual health insurance coverage for children under the age of 19.**

**36.13(1) *Purpose, applicability and effective date.***

- a. The purpose of this rule is to set forth the requirements and procedures to be followed for individual health insurance coverage for children under the age of 19.
- b. This rule shall apply to all “carriers” as defined in Iowa Code subsection 513C.3(5). For purposes of this rule, “carrier” means the same as it is defined in Iowa Code subsection 513C.3(5).

c. For purposes of this rule, a “child-only” policy means a health benefit plan delivered or issued for delivery to an individual who is the primary subscriber on the policy and who is under the age of 19. A “child-only” policy does not include a health benefit plan that is delivered or issued for delivery to a primary subscriber who is 19 years of age and older but that insures persons under the age of 19.

d. This rule shall become effective [insert effective date] for policies sold or issued on or after that date.

**36.13(2) Coverage requirement for children under the age of 19, open enrollment period and notice.**

a. Carriers doing business in the state of Iowa shall offer coverage to primary subscribers under the age of 19 during the open enrollment period as established in this rule.

b. The open enrollment period for child-only applicants shall commence on June 1, 2011, and end on July 15, 2011. Carriers shall provide subsequent open enrollment periods for child-only applicants for the periods of June 1 through July 15 in the years 2012 and 2013.

c. A carrier shall advertise the open enrollment period for children under the age of 19, including the availability of child-only coverage, on the carrier’s Web site and through any other media as determined by the carrier. The advertising shall be conspicuous and provided in a manner reasonably calculated to give potential applicants timely and informative notice regarding the annual open enrollment period.

d. For child-only applications received during the open enrollment period, individual health insurance coverage shall be offered on a guaranteed-issue basis to individuals up to the age of 19. The health benefit plans available to children under the age of 19 shall be in compliance with federal and state law and shall be filed with the Iowa insurance division in accordance with Iowa law.

e. Carriers shall not offer child-only policies outside the open enrollment periods provided in this subrule. However, a carrier shall permit a child under the age of 19 to apply and enroll for coverage during a special enrollment period under the terms of the health benefit plan if the child has experienced a qualifying event. A health benefit plan issued during a special enrollment period to a child under the age of 19 after a qualifying event shall be issued on a guaranteed basis and shall not impose any preexisting conditions. For purposes of this paragraph, a “qualifying event” shall mean one or more of the following:

(1) The child under the age of 19:

1. Lost creditable coverage as defined in Iowa Code section 514A.3B(3) as a result of termination of the child’s employment or eligibility, the involuntary termination of the creditable coverage, death of the child’s spouse or parent, or the child’s divorce; and

2. Made the request for special enrollment within 30 days after termination of the creditable coverage.

(2) An event of marriage, birth, adoption or placement for adoption occurs and the request for special enrollment is made within 30 days after the occurrence of the event.

(3) The child was covered under a mandated continuation of a group health plan or group health insurance coverage plan until the coverage under that plan was exhausted.

(4) A court has ordered that coverage be provided for a spouse or minor or dependent child under a covered employee’s health insurance coverage and the request for enrollment is made within 30 days after issuance of the court order.

(5) The child changes status and becomes an eligible employee and requests enrollment within 63 days after the date of the change in status.

f. An individual applying for coverage during the open enrollment period or during a special enrollment period shall not be eligible for guaranteed-issue coverage if the individual has other coverage or if other coverage is available at the time of the effective date of coverage.

g. A carrier that issues a policy pursuant to this rule shall comply with all other applicable statutes and administrative rules, both state and federal, regarding individual health benefit policies.

h. Child-only policies may be appropriately rated based on the health status of the child-only applicant.

ITEM 3. Amend **191—Chapter 36**, implementation sentence for Division I, as follows:  
These rules are intended to implement Iowa Code chapters 507B, 510, 513C and 514D.